

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, DC 20554

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In the Matter of	)	
Implementation of Section 621(a) (1) of	)	
the Cable Communications Policy Act of 1984	)	MB Docket No. 05-311
as amended by the Cable Television Consumer	)	
Protection and Competition Act of 1992	)	

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**COMMENTS OF THE CITY OF CADILLAC**

These Comments are filed by the City of Cadillac in support of the comments filed by the National Association of Telecommunications Officers and Advisors ("NATOA"). Like NATOA, the City of Cadillac believes that local governments can issue an appropriate local franchise for new entrants into the video services field on a timely basis, just as they have for established cable services providers. In support of this belief, we wish to inform the Commission about the facts of video franchising in our community.

**Cable Franchising in Our Community**

**Community Information**

The City of Cadillac is a city with a population of 10,000. Our franchised cable provider is Charter Communications. Our community has negotiated cable franchises since 1965.

**Our Current Franchise**

Our current franchise began on November 1, 2004 and expires on July 31, 2019. Under the statutory timeline laid out in the Federal Cable Act, the cable operator has a 6-month window beginning 36 months before the expiration of the franchise in which to request a renewal under the Federal Act. As a result, at this time we are not currently negotiating a franchise renewal with the incumbent provider.

Our franchise requires the cable operator to pay a franchise fee to the city in the amount of 5% of the cable operator's revenues. The revenues for franchise fee purposes are calculated based on the gross revenues of the operator, in accordance with the Federal Cable Act.

We require the cable operator to provide the following capacity for public, educational, and/or governmental ("PEG") access channels on the cable system. We currently have one channel (or capacity) devoted to public access; one channel (or capacity) devoted to educational access; and one channel (or capacity) devoted to government access.

Our franchise requires that our PEG channels be supported in the following ways by the cable operator: At any time during the first twelve (12) years of the Franchise term, the City of Cadillac may request capital support from Charter Communications for PEG equipment or Capital Facilities, including character generators. Upon the determination by the City of Cadillac that such support is reasonable to meet the cable-related needs of the community, the City of Cadillac shall notify Charter Communications in writing of these needs, the amount of capital support required and how it intends to use the capital support. Charter Communications shall provide the capital funds or in-kind capital contributions requested in a timely manner after receiving the request, up to a maximum amount of \$0.20 per subscriber per month, with such amount adjusted annually for inflation from July 2004 computed according to the Consumer Price Index for All Urban Consumers, All Areas. The cost of any character generator (or its equivalent) provided to the City of Cadillac shall be offset against the preceding amount. The City of Cadillac or the entity receiving the capital support shall be responsible for installing, operating, maintaining and replacing the equipment purchased as necessary, unless the contribution is a character generator or related equipment at Charter Communications' facilities or an extension of the Cable System in which case Charter Communications shall own, operate and maintain same. Charter Communications shall be entitled to recover such capital costs from subscribers with individual account records, if allowed by law.

Our franchise contains the following requirements regarding emergency alerts: The company shall include an all channel alert system so as to allow simultaneous audio and character generated emergency announcements on all channels in keeping with FCC regulations. Municipality and company will separately agree on the procedures for municipality or the applicable County Emergency Director to follow to expeditiously use such facility in the event of an emergency and municipality shall hold company harmless for any harm caused company by the improper use of such alert system by the municipality. These emergency alert requirements provide an important avenue of communication with our residents in the event of an emergency.

Our franchise contains the following customer service obligations, by which we are able to help ensure that the cable operator is treating our residents in accordance with federal standards and the terms it agreed to in its franchise: The company will comply with the more stringent of the customer service and consumer protection provisions of this franchise; or those from time to time adopted by the FCC.

The municipality reserves the right by ordinance to alter or amend the customer service and consumer protection matters set forth in the part, including adopting ordinances stricter than or covering items not presently set forth in this part. Municipality agrees to meet with company on the matters in question prior to taking such action, and to provide company with notice of the proposed action at least sixty (60) days before it takes effect. Company may appear at the session of the municipality's legislative body adopting the ordinance and make comments on same as provided for under the Michigan Open Meetings Act. Company may challenge any action taken by municipality under this section in court if it is unreasonable, unduly burdensome or prohibited by law.

For new installations, if a subscriber requests underground cable service, company may charge the subscriber the differential between the cost of aerial and underground installation of the drop to the subscriber. This provision shall not apply where undergrounding is required by municipal ordinance or policy for all utilities.

For residential subscribers desiring only seasonal cable service company shall offer seasonal service at a reduction, computed annually, from its standard rates. For small business subscribers desiring seasonal cable service company shall offer seasonal service at a reduction, computed annually, from its standard rates. This may be accomplished at company's option, either by (1) not subjecting customers electing such service to disconnection or reconnection charges, or (2) by providing service year round but at a reduced rate (compared to standard rates) which is economically comparable to the preceding.

Company shall provide all subscribers with the option of obtaining a device by which the subscriber can prohibit the viewing of a particular cable service during periods selected by the subscriber. Pay Per view: Subscribers shall be given the option of not having pay per view or per program service available at all or only having such service provided upon the subscriber providing a security number selected by an adult representative of the subscriber.

The company will provide written information on at least each of the following areas at the time of installation of service, at least annually to subscribers, and at any time upon request: Products and services offered; prices (rates) and options for cable services and conditions of subscription to cable service. Prices shall include those for programming, equipment rental, program guides, installation, disconnection. Late fees and other fees changed by the company; Installation and service maintenance policies; instructions on how to use the cable service; channel positions of programming carried on the cable television system; billing and complaint procedures, including the address and phone number of the person or position at the municipality responsible for cable matters; and applicable privacy requirements provided for by law. Notice of changes: subscribers and municipality will be notified of any changes in rates, cable services or channel positions as soon as possible in writing. Notice must be given to subscribers a minimum of thirty (30) days in advance of such changes if the change is within the control of the company as soon as possible if not within the control of the company. In addition, the company shall notify subscribers and the municipality thirty (30) days in advance of any significant changes in the other information required by the preceding section.

The company will comply with state and federal laws relating to the practice of "negative option" marketing.

The company shall maintain a "virtual local office" in or near the municipality consisting of the following: A bill payment office in Cadillac (directly or through another business, such as a bank) preferably using the same local business which acts as the bill payment office for other utilities, where subscribers may pay their bills directly, return converter boxes and comparable items and receive standard information on the company at its services, and the telephone service available 24 hours a day, seven days a week, as set for in the section, and free drop off and pick up of equipment (converter boxes and the like) to subscriber premises. The preceding does not include installation.

The company shall have a local telephone number of 800 number for use by subscribers toll-free 24-hours per day, 7 days per week. The company shall endeavor to have its phone number listed, with appropriate explanations, in the directory published by the local telephone company and the company shall make reasonable efforts to be listed in significant private directories. Trained company representatives will be available to respond to subscriber telephone inquiries 24 hours per day, although after normal business hours such representatives shall only be required to respond to inquiries relating to emergencies, outages, repairs or service calls, with other matters deferred until the next business day (unless low workload allows them to be handled then). Except as set forth in the above sentences regarding normal business hours, calls relating to matters other than outages, repairs and service calls may be answered by a service or automated response system, including an answering machine. Such inquiries received after normal business hours must be responded to by a trained company representative on the next business day. Under normal operating conditions, telephone answer time by a customer representative, including wait time, shall not exceed thirty (30) seconds when the connection is made. If the call needs to be transferred, transfer time shall not exceed thirty (30) seconds. These standards shall be met no less than ninety (90) percent of the time under normal operating conditions, measured on a quarterly basis. Upon request, the company shall provide reports to the municipality quarterly showing on a consistent basis, fairly applied, the company's compliance with the standards of this section. Such report shall show to the extent reasonably feasible company's performance excluding periods of abnormal operating conditions, and if company contends any such conditions occurred during the period in question., it shall also describe the nature and extent of such conditions and show company's performance including the time periods such conditions were in effect. Under normal operating conditions, the subscriber will receive a busy signal less than three (3) percent of the time. Normal business hours for the purpose of this section shall mean at least from 9 a.m. to 5 p.m., Monday through Friday and 9 a.m. to 1 p.m. on Saturday, excluding holidays.

All service personnel of the company or its contractors or subcontractors who have as part of their normal duties contact with the general public shall wear on their clothing a clearly visible identification card bearing their name and photograph. The Company shall account for all identification cards at all times. In addition, such service personnel of the company shall wear uniforms with the company's name and logo. Every service vehicle of the company, its contractors or subcontractors shall be clearly identified as such to the public: Company vehicles shall have the company's logo plainly visible; those of contractors and subcontractors working for the company shall have the contractors/subcontractors name plus markings (such as a magnetic door sign) indicating they are under contract to the company.

Installations: Under normal operating conditions, installations located up to 125 feet from the existing distribution system will be performed within seven (7) business days after an order has been placed at least 95% of the time on a quarterly basis. Installations shall be available from 8 a.m. to 5 p.m. weekdays; on a call to meet basis, and; on Saturday or in the evening by appointment. For weekday installations, subscribers shall be provided with an appointment window which shall be entirely in the a.m. or entirely in the p.m. unless the subscriber requests and the company agrees to the contrary.

The following shall apply to subscribers requesting installations or service: Company shall at the subscriber's option either (1) schedule the appointment for a date certain on a "call to meet" basis where as the service technician finishes his/her prior task, the technician calls the subscriber and arranges to meet the subscriber shortly thereafter, or (2) establish a four hour appointment window with the subscriber (or adult representative of the subscriber). Such four hour window shall be entirely in the a.m. or entirely in the p.m. unless the subscriber requests and the company agrees to the contrary. The company shall respond to the request for service in accordance with the option selected by the subscriber. The company may not cancel an appointment with a subscriber after 4 p.m. on the business day prior to the scheduled appointment. If the company's technician cannot make the appointment or is running late for an appointment with a subscriber and will not be able to keep the appointment as scheduled, the subscriber will promptly be contacted. The appointment will be rescheduled, as necessary, at a time that is convenient for the subscriber. In the event access to the subscriber's premises is not made available to the company's technician when the technician arrives during the established appointment window, the technician shall leave written notification stating the time of arrival and requesting that the company be contacted again to establish a new appointment window. In such case, the required response time for scheduling a new appointment shall be one (1) business day from the time the company is contacted to establish the new appointment window. Notwithstanding the foregoing, if the company's technician telephones the subscriber's home during the appointment window and is advised that the technician will not be given access to the subscriber's premises during the appointment window, then the technician shall not be obligated to travel to the subscriber's premises or to leave the written notification referred to above, and the burden shall again be upon the subscriber (or adult representative of the subscriber) to contact the company to arrange for a new appointment window, in which case the required response for scheduling a new appointment shall again be one (1) business day from the time the company is contacted to establish the new appointment window. Except as otherwise provided above, the company shall be deemed to have responded to a request for service under the provisions of this section when a technician arrives at the service location.

No charge shall be made to the subscriber for any service call unless the problem giving rise to the service request can be demonstrated by the company to have been: caused by subscriber negligence, or; caused by malicious destruction of cable equipment, or; a problem previously established as having been non-cable in origin, or; caused by customer-owned equipment, including internal wiring, or is caused by customer actions or the need for customer education (over and above customer education supplied without charge).

Under normal operating conditions, the company will meet the following standards no less than 95% of the time measured on a quarterly basis: Excluding conditions beyond the company's control, the company will begin working on a service interruption promptly and in no event later than 24 hours after the interruption becomes known. Service interruption means the loss of picture or sound on one or more cable channels, affecting one or more subscribers. The company's report described above shall also measure and report on the company's compliance with this standard.

For purposes of this section, "subscriber problem" shall mean any malfunction affecting a single subscriber; "system problem" shall mean any problem other than a service interruption

which affects more than one subscriber. With respect to matters within the company's control, the company shall respond to and start work on a subscriber request for service or to repair any malfunction within the following time frames: For a subscriber problem: As soon as reasonably possible, but no later than the end of the next business day after the company receives the subscriber's request for service, unless otherwise agreed by the subscriber. For a system problem: Within forty-eight (48) hours, including weekends and holidays, of receiving a request for service identifying a problem concerning picture or sound quality affecting any two or more subscribers.

Company shall maintain a written log or an equivalent stored in computer memory and capable of access and reproduction in printed form, of all written subscriber complaints for subscribers served by the cable television system. Such log shall list the date and time of such complaints, identifying to the extent allowed by law the subscribers and describing the nature of the complaints and when and what actions were taken by the company in response thereto. Such log shall reflect the operations to date for a period of at least two (2) years, and shall be available to the municipality upon request.

Payment Options: Unless technically or economically not feasible to do so, the company will provide all subscribers with the option of paying for service by an automatic payment plan where the amount of the bill is automatically deducted from a checking account designed by the subscriber.

The company shall comply with the following: Bills will be clear, concise and understandable. Bills must be itemized, with itemizations including, but not limited to, basic and premium service charges and equipment charges. Bills will also clearly delineate all activity during the billing period, including optional charges, rebates, credits and late charges. In the case of a billing dispute, the company must respond to a written complaint from a subscriber within thirty (30) days and the company will not disconnect a subscriber prior to the company's submitting a written response to the subscriber.

Refund checks will be issued promptly, but no later than either: The subscriber's next billing cycle following resolution of the request or thirty (30) days, whichever is earlier, or where applicable the return of the equipment supplied by the company if service is terminated.

Credits: Credits for service will be issued no later than the subscriber's next billing cycle following a determination that credit is warranted.

Late Payment: Late payment charges imposed by the company upon subscribers shall be reasonably related to the company's cost of administering delinquent accounts.

The company may only disconnect a subscriber for failure to pay if at least 45 days have elapsed after the due date for payment of the subscriber's bill and the company has provided at least 10 days written notice to the subscriber prior to disconnection, specifying the effective date after which cable services are subject to disconnection. The company may disconnect a subscriber at any time if the company in good faith believes that the subscriber has tampered with or abused the company's equipment, that there is a signal leakage problem (or other non-compliance with FCC or other standards which poses a risk to lives or property) on subscriber's premises, or that subscriber is or may be engaged in the theft of cable services. The company shall promptly disconnect any subscriber who so requests disconnection. No period of notice

prior to requested termination of service may be required of subscribers by the company. No charge may be imposed upon the subscriber for any cable service delivered after the effective date of the disconnect request (unless there is a delay in returning the company equipment). If the subscriber fails to specify an effective date for disconnection, the effective date shall be deemed to be the day following the date the disconnect request is received by the company.

Privacy and Monitoring: Neither the company and its agents or municipality and its agents shall tap or monitor, or arrange for the tapping or monitoring, or permit any other person to tap or monitor, any cable, line, signal, input device, or subscriber facility for any purpose, without the written authorization of the affected subscriber, except to the extent otherwise permitted by law. Such authorization shall be revocable at any time by the subscriber without penalty by delivering a written notice or revocation to the company; provided, however, that the company may conduct system-wide or individually addressed “sweeps” solely for the purpose of verifying system integrity, checking for illegal taps or billing.

Except for billing related purposes, the company shall not record or retain any information as to the programming actually watched by a subscriber. The company shall destroy all subscriber information of a personally identifiable nature after a reasonable period of time except as authorized not to do so by the affected subscriber. Except as allowed under the Federal Cable Act, the company shall not sell or otherwise provide to other persons, without the specific written authorization of the subscriber involved, or otherwise make available to any person or entity, lists of the names and addresses of subscribers.

Our franchise requires that the cable operator currently provide service to the following areas of our community: Authorization shall mean the entire area from time to time within the corporate limits of the municipality, excluding, however, areas that are within such limits solely due to agreements executed under the authority of Michigan Act 425 of 1984 unless the Act 425 agreement so provides as to cable service and the company agrees.

Universal Service is subject to the next section and its rates for services as from time to time in effect, the company shall make cable services available to any and all persons requesting the same within the authorized area.

No line extension charge or comparable charge shall be imposed on any current or potential subscriber for: “Drops” from the distribution portion or tap on the cable television system to the subscriber’s residence premises of at least one hundred and fifty (150) feet in length and up to three hundred (300) feet in length if the signal strength at that point on the cable system will allow a drop of such length without additional equipment. Extensions of the cable system where the extension would pass 25 residences per linear strand mile of cable, as measured from the company’s closest truck line or distribution cable, or the extension otherwise satisfies the company’s internal return on investment standard. Upon request, the company will consult with the municipality on the following: The proposed extension, and how it is determined; Economic and/or technical requirements of the extension; and Alternatives to the proposed route/design or other pertinent factors or means by which the preceding standards (e.g. return on investment) would be met. The preceding shall apply whether the cable would be located in public ways or in private ways/easements (the latter being generally available to the company under its statutory ability to use existing utility easements for cable purposes.)

However, for line extensions involving new subdivisions, planned unit developments or the like, the preceding formula shall be applied using the number of dwelling units authorized therein.

As new or additional areas of the municipality meet the dwelling units/mile standard, the company shall initiate procedures to extend the cable television system to such areas within 90 days of (a) a request for service from such an area, (b), the area meeting the standard and (c) the company obtaining any agreements to use private property necessary to extend the cable system. The company shall complete the extension within 180 days of the preceding three requirements having been met, unless additional time is needed due to winter construction or other events beyond the company's control. As the municipality may from time to time reasonably request, the company shall investigate and respond in writing whether areas within the municipality do/do not meet the standard of the preceding section.

Our franchise contains a "*LEVEL PLAYING FIELD*" provision which states the following: In the future, the municipality may grant one (1) or more franchise(s) to provide cable services in the municipality. If it does so and such franchise(s) overall impose materially less burdensome or materially more advantageous obligations on the company(s) receiving same than are imposed by the provisions of the franchise, then the company may petition the municipality for a modification of the franchise. The company shall be entitled to a modification of the franchise necessary to correct the violation of the second sentence, with such changes to be effective if and when the company(s) referred to in the second sentence start providing cable services in the municipality. After consulting with the company about the changes to correct the violation of the second sentence, the specific changes to correct the violation will be selected by the municipality as being least detrimental to the best interests of itself and its residents, but must correct the violation.

Our franchise contains the following insurance and bonding requirements: The company shall obtain a separate performance bond for each of the municipalities in the dollar amount set forth by each municipality's name. The company shall post the municipality's bond within thirty (30) days of the signing of a franchise. The company shall provide the municipality with a copy of such bond and the company shall continuously maintain such bond during the term of the franchise. Such bond shall be issued by a bonding company licensed to do business in the State of Michigan. Such bond shall secure the company's faithful performance in accordance with the terms and conditions of the franchise.

During the term of the Franchise, Company shall maintain, or cause to be maintained, in full force and effect and at its sole cost and expense, the following types and limits of insurance: Worker's compensation insurance meeting Michigan statutory requirements and employer's liability insurance with minimum limits of One Hundred Thousand Dollars (\$100,000) for each accident. Comprehensive commercial general liability insurance with minimum limits of Five Million Dollars (\$5,000,000) as the combined single limit for each occurrence of bodily injury, personal injury and property damage. The policy shall provide blanket contractual liability insurance for all written contracts, and shall include coverage for products and completed operations liability, independent contractor's liability; coverage for property damage from perils of explosion, collapse or damage to underground utilities, commonly known as XCU coverage. Broadcasters liability coverage for loss or damage arising out of publications or



utterances in the course of or related to advertising, broadcasting, telecasting or other communication activities conducted by or on behalf of Company with minimum limits of Two Million Dollars (\$2,000,000) as the combined single limit for each occurrence of bodily injury, personal injury and property damage.

Automobile liability insurance covering all owned, hired, and no owned vehicles in use by Company, its employees and agents, with personal protection insurance and property protection insurance to comply with the provisions of the Michigan No-Fault Insurance Law, including residual liability insurance with minimum limits of Two Million Dollars (\$2,000,000) as the combined single limit for each occurrence for bodily injury and property damage.

Liability insurance for environmental contamination with minimum limits of Five Hundred Thousand Dollars (\$500,000). The insurance policy provided special counsel for Municipality on April 26, 2004 meets the preceding requirement.

All policies other than those for Worker's Compensation and environmental contamination shall be written on an occurrence and not on a claims made basis. The coverage amounts set forth above may be met by a combination of underlying and umbrella policies so long as in combination the limits equal or exceed those stated.

All policies, except for worker's compensation policies, shall name the "City of Cadillac, a municipal corporation of the State of Michigan, all associated, Affiliated, allied and subsidiary entities of the municipality now existing or hereafter created, and their respective officers, boards, commission, employees, agents and contractors, as their respective interests may appear" as additional insureds (herein referred to as the "Additional Insureds"). Each policy which is to be endorsed to add Additional Insureds hereunder, shall contain cross-liability wording, as follows: "In the event of a claim being made hereunder by one insured for which another insured is or may be liable, then this policy shall cover such insured against whom a claim is or may be made in the same manner as if separate policies had been issued to each insured hereunder."

All insurance certificates maintained pursuant to this Section 6.8 shall contain the following wording: "Should any of the policies described herein be cancelled before the expiration date thereof, the insurer affording coverage will mail 30 days written notice to the certificate holder named herein."

All insurance shall be effected under valid and enforceable policies, insured by insurers licensed to do business by the State of Michigan or surplus line carriers on the Michigan Insurance Commissioner's approved list of companies qualified to do business in Michigan. All insurance carriers and surplus line carriers shall be rated A- or better by A.M. Best Company.

All insurance policies may be written with deductibles but not retainages. Company agrees to indemnify and save harmless Municipality, the Indemnities and Additional Insureds from and against the payment of any deductible and from the payment of any premium of any insurance policy required to be furnished by this Franchise.

Company shall require that each and every one of its contractors and their subcontractors carry, in full force and effect, worker's compensation, comprehensive public liability, environmental contamination and automobile liability insurance coverages of the type which Company is required to obtain under the terms of this Section with appropriate limits of insurance. In the alternative, Company, at its expense, may provide such coverages for any or all of its contractors or subcontractors (such as by adding them to Company policies).

Every five years from the Effective Date during the term of this Franchise, Municipality may review the insurance coverages to be carried by Company. If Municipality determines that higher limits of coverage are necessary to protect the interests of Municipality or the Additional Insureds, Company shall be so notified and shall obtain the additional limits of insurance, at its sole cost and expense. However the increased coverage shall not exceed the current coverage amounts increased for inflation from January, 2004 computed according to the Consumer Price Index for All Urban Consumers, All Areas 1982-1984 = 100, with January 2004 as the base point.

Company's insurance coverage shall be primary insurance with respect to Municipality, its officers, agents, employees, elected and appointed officials, departments, boards, and commissions (collectively "them"). Any insurance or self-insurance maintained by any of them shall be in excess of Company's insurance and shall not contribute to it (where "insurance or self-insurance maintained by any of them" includes any contract or agreement providing any type of indemnification or defense obligation provided to, or for the benefit of them, from any source, and includes any self-insurance program or policy, of self-insured retention or deductible by, for or on behalf of them).

The cable franchise grants the cable operator access to the public rights of way and compatible easements for the purpose of providing cable television service. Apart from the franchise, the cable provider is required to obtain a permit from the appropriate municipal office as well before it may access the public rights of way, in accordance with the State of Michigan METRO Act.

The company shall not erect, install, construct, repair, replace or maintain its cable television system in such a fashion as to unduly burden the present or future use of the public ways. If the municipality or county road commission in the exercise of reasonable judgment determines that any portion of the cable television system is an undue burden, the company at its expense shall modify its system or take such other actions as the municipality or county road commission may determine is in the public interest to remove or alleviate the burden, and the company shall do so within the time period established by the municipality or county road commission. The company shall share in any grants which the municipality obtains to compensate private utilities for complying with the preceding two sentences.

The franchise agreement provides for the following enforcement mechanisms by which we are able to ensure that the cable operator is abiding by its agreement: Upon the occurrence of any uncured event of default, the municipality shall be entitled to exercise any and all of the following cumulative remedies: The municipality shall have the right to forfeit and terminate the franchise. Upon the forfeiture and termination thereof, or the completion of any court challenges

by the company to such forfeiture or termination, whichever is later, the franchise shall be automatically deemed null and void and have no force or effect, the company shall remove the cable television system from the municipality as when requested by the municipality and the municipality shall retain any portion of the franchise fee and other fees or payments paid to it, or which are due and payable to it, to the date of the forfeiture and termination. The municipality's right to forfeit and terminate the grant of the franchise pursuant to this section is not a limitation on the municipality's right of revocation. The commencement of an action against the company at law for monetary damages. The commencement of an action in equity seeking injunctive relief or the specific performance of any of the provisions which, as a matter of equity, are specifically enforceable. The rights and remedies of the municipality set forth in the franchise shall be in addition to and not in limitation of any other rights and remedies provided by law or in equity. The municipality and company understand and intend that such remedies shall be cumulative to the maximum extent permitted by law and the exercise by the municipality of any one or more of such remedies shall not preclude the exercise by the municipality, at the same or different times, of any other such remedies for the same uncured event of default.

### **The Franchising Process**

The cable system(s) serving our community also serves many adjoining communities: Traverse City, Manton, and Manistee. In 2004, our community worked together with approximately 60 other communities to issue a cable franchise for the Charter Communications cable company. This allowed the company to quickly obtain franchises in these communities so as to be able to serve a large region, while also allowing for individual provisions in specific franchises in order to tailor them to meet local needs.

Under the law, a cable franchise functions as a contract between the local government (operating as the local franchising authority) and the cable operator. Like other contracts, its terms are negotiated. Under the Federal Cable Act it is the statutory obligation of the local government to determine the community's cable-related needs and interests and to ensure that these are addressed in the franchising process – to the extent that is economically feasible. However derived (whether requested by the local government or offered by the cable operator), once the franchise is approved by both parties the provisions in the franchise agreement function as contractual obligations upon both parties.

Our current franchise provides that changes in law which affect the rights or responsibilities of either party under this franchise agreement will be treated as follows: The franchise shall be construed pursuant to the laws of the State of Michigan.

While a franchise is negotiated by the local government as a contract, the process provides the cable operator additional due process rights, and consequent additional obligations on the local government. For instance: The ordinance establishing our cable franchise was preceded by a public hearing notice, a public hearing, and the adoption of a local ordinance. A 20-day waiting period preceded the effective date of the ordinance.

## **Competitive Cable Systems**

Our community has never been approached by a competitive provider to provide service.

## **Conclusions**

The local cable franchising process functions well in Cadillac. As the above information indicates, we are experienced at working with cable providers to both see that the needs of the local community are met and to ensure that the practical business needs of cable providers are taken into account.

Local cable franchising ensures that local cable operators are allowed access to the rights of way in a fair and evenhanded manner, that other users of the rights of way are not unduly inconvenienced, and that uses of the rights of way, including maintenance and upgrade of facilities, are undertaken in a manner which is in accordance with local requirements. Local cable franchising also ensures that our local community's specific needs are met and that local customers are protected.

Local franchises thus provide a means for local government to appropriately oversee the operations of cable service providers in the public interest, and to ensure compliance with applicable laws. There is no need to create a new Federal bureaucracy in Washington to handle matters of specifically local interest.

Finally, local franchises allow each community, including ours, to have a voice in how local cable systems will be implemented and what features (such as PEG access, institutional networks or local emergency alerts, etc.) will be available to meet local needs. These factors are equally present for new entrants as for existing users.

The City of Cadillac therefore respectfully requests that the Commission do nothing to interfere with local government authority over franchising or to otherwise impair the operation of the local franchising process as set forth under existing Federal law with regard to either existing cable service providers or new entrants.

Respectfully submitted,

By: Precia L. Garland, Assistant City Manager  
City of Cadillac  
200 N. Lake St.  
Cadillac MI 49601

cc: NATOA, [info@natoa.org](mailto:info@natoa.org)  
John Norton, [John.Norton@fcc.gov](mailto:John.Norton@fcc.gov)  
Andrew Long, [Andrew.Long@fcc.gov](mailto:Andrew.Long@fcc.gov)